

DOCUMENT RESUME

02658 - [A1672663]

[Disputes Arising under Contract]. B-184238. June 7, 1977. 1 pp.

Decision re: Cessna Aircraft Co.; by Paul G. Dembling, General Counsel.

Issue Area: Federal Procurement of Goods and Services (1900).

Contact: Office of the General Counsel: Procurement Law I.

Budget Function: General Government: Other General Government (806).

Organization Concerned: Department of the Interior.

Authority: B-187022 (1976).

Company requested cancellation or modification of a contract for an aircraft engine. A dispute as to whether a contractor is required to perform a contract in accordance with its terms due to time delays and price increases must be pursued with the contracting agency, since it is not within GAO's authority to intervene in disputes arising under a contract. (Author/SC)

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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: B-184238

DATE: June 7, 1977

MATTER OF: Cessna Aircraft Company

DIGEST:

Dispute whether contractor is required to perform contract in accordance with its terms due to time delay and price increases must be pursued with contracting agency, since it is not within authority of GAO to intervene in disputes arising under contract.

By letter of May 5, 1977, with attachments, the Cessna Aircraft Company (Cessna) requested that our Office consider its request for cancellation or modification of contract #14-16-0001-5444-LE, awarded January 24, 1975, by the Department of the Interior, for an aircraft engine. The matter was the subject of our decision, Capital Aviation, Inc., B-184238, July 30, 1975, 75-2 CPD 68, concerning Cessna's predecessor's request for a price increase due to a mistake in its bid as well as for increases in its costs for material and freight.

In the cited decision we held that there was no basis to increase the contract price as a result of an increase in the cost of performance in the absence of a price escalation clause. The only additional factor presented as an extenuating circumstance for the requested relief by Cessna is the extreme lapse of time in requesting performance. Whether Cessna is required to perform is a matter properly resolved under the terms of the contract. The authority of our Office does not include intervention between a contractor and the agency for the purposes of resolving disputes arising under the contract. Hugh Brasington Contracting Company, B-187022, September 14, 1976, 76-2 CPD 243.

Therefore, the remedy Cessna seeks should be pursued with the contracting agency under the terms of the contract.

Paul G. Dembling
General Counsel